

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2005-145-C - ORDER NO. 2005-313  
JUNE 6, 2005

IN RE: Application of Farmers Telephone ) ORDER  
Cooperative for Approval to Establish a )  
Depreciation Rate of Five Years for the )  
Hardware Associated with Softswitch Central )  
Office, Switching Equipment. )

This matter comes before the Public Service Commission of South Carolina (the Commission) on the request of Farmers Telephone Cooperative (Farmers or the Coop.) to establish a depreciation rate of five years for the hardware associated with softswitch central office, switching equipment.

Farmers states that the contract amount for the softswitch is \$1.5 million. The hardware portion of the switch is 30 percent of the total switch cost in the amount of \$375,000. Farmers currently has five-year depreciation rates on central office software and it requests to apply five year rates on a total of \$375,000 of hardware cost. The Coop. proffered a letter from its switch vendor that separates hardware and software costs on a percentage basis. Farmers also proffered a research document and recommendation from the Coop.'s consultant engineer supporting the Coop.'s requested rate of depreciation for softswitch technology.

The Office of Regulatory Staff (ORS) filed a letter stating it has no objection to Commission approval of the five year depreciation rate for hardware associated with softswitch technology as proposed by Farmers. ORS does request that, given the lack of

(SEAL)